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ABSTRACT

This report documents the findings of an evaluation of the effectiveness of the information resources management aspects of the Paperwork Reduction Act of 1980 (Public Law 96-511) which went into effect on April 1, 1981. (This law was enacted as a result of concerns that the government must improve its collection, use, and dissemination of information.) Data for this study, which was conducted in 1987, was collected through: (1) interviews with and information obtained from the Office of Management and Budget and the General Services Administration; (2) interviews with information resources management officials at the Departments of Commerce, Energy, Labor, and Health and Human Services; and (3) a review of literature related to either information resources management or the Paperwork Reduction Act. The following Information resources management problems that continue to exist in government agencies were identified: (1) inadequate planning processes; (2) lost potential savings due to improper management of information resources; (3) overlapping systems containing duplicate information within agencies; and (4) lack of focus on the broader objectives of the act. It was also found that none of the agencies studied had established criteria for determining achievement of the act's objectives. (CGD)

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Briefing Report to the Chairman, Committee on Government Operations, House of Representatives

September 1987

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INFORMATION MANAGEMENT

Criteria for Assessing Agency Performance Are Limited

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United States
General Accounting Office
Washington, D.C. 20548

Information Management and
Technology Division

B-225924

September 24, 1987

The Honorable Jack Brooks
Chairman, Committee on
Government Operations
House of Representatives

Dear Mr. Chairman:

In April 1986, your office asked that we evaluate the effectiveness of actions agencies have taken to implement the information resources management aspects of the Paperwork Reduction Act of 1980 (Public Law 96-511). In March 1987, we briefed your office on our work to identify

- basic information resources management mechanisms established by or in response to the act, and
- existing criteria for evaluating agencies' performance in achieving the act's objectives.

As agreed with your office, we have prepared the attached appendixes documenting the information in our briefing.

The act, which became effective on April 1, 1981, resulted from concerns that the government must improve its collection, use, and dissemination of information. The objectives of the act include reducing the information burden imposed on the public; reducing costs and ensuring the usefulness of information collected, maintained, used, and disseminated by the government; making federal information policies and practices uniform; improving the efficiency of federal programs through the effective use of automated data processing and telecommunications; and ensuring that privacy and confidentiality concerns of individuals and enterprises are safeguarded.

Our research indicates that information resources management problems have continued to exist at some agencies since the act became effective. For example, previous General Accounting Office reports disclosed that some agencies have developed inadequate planning processes, lost potential savings due to improper management of information resources, and operated systems that contained duplicate information. Furthermore, we found that existing criteria focuses on compliance with specific agency responsibilities described in the act, such as designating a senior official and systematically inventorying

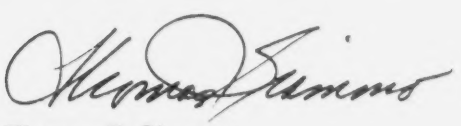
major information systems, rather than on the broader objectives of the act.

This report is based on interviews with and information obtained from the Office of Management and Budget and the General Services Administration; interviews with information resources management officials at the Departments of Commerce, Energy, Labor, and Health and Human Services; and a review of literature, including General Accounting Office reports, related to either information resources management or the Paperwork Reduction Act.

As arranged with your office, we did not obtain agencies' comments on this report. We plan no further distribution until 30 days from the issue date unless you publicly announce its contents earlier. At that time, we will make copies available to others upon request.

If you have any questions, please call me or Ms. Linda Budney, Group Director, on 275-3195.

Sincerely yours,



Thomas P. Giammo
Associate Director

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Abbreviations

GSA	General Services Administration
IRM	Information Resources Management
OMB	Office of Management and Budget

Background

Federal information resources management (IRM) is of continuing importance to both the public and the government due to the size and value of federal information activities. In the United States, the federal government is the largest producer, consumer, and disseminator of information and the single largest user of information technology. More than $16 billion will be spent on information technology during fiscal year 1987.[1]

The Paperwork Reduction Act of 1980, which became effective on April 1, 1981,[2] resulted from growing congressional concerns that the government must improve its collection, use, and dissemination of information. The act's objectives are to

- reduce the federal information burden imposed on the public,
- reduce costs and ensure the usefulness of information collected, maintained, used, and disseminated by the government,
- make federal information policies and practices uniform,
- improve the efficiency of federal programs and reduce the public burden through the effective use of automated data processing and telecommunications, and
- ensure that the legitimate privacy and confidentiality concerns of individuals and enterprises are safeguarded.

To accomplish these objectives, the act designates federal information resources management responsibilities for the Office of Management and Budget (OMB) and for the executive-branch agencies.

Centralized Responsibilities

Under the act, OMB has responsibility for establishing federal policy and improving information resources management. The act also establishes the Office of Information and Regulatory Affairs to carry out OMB's responsibilities. These include evaluating, with assistance from the General Services Administration (GSA), each agency's information resources management activities; issuing and implementing information resources management policies; overseeing the development of information resources management principles, standards, guidelines, and plans; initiating and reviewing proposals for changes in legislation, regulations, and agency procedures to improve information resources management;

[1] Management of the United States Government, Office of Management and Budget, 1987.

[2] This act was amended by the Paperwork Reduction Reauthorization Act of 1986, which is contained in the act making continuing appropriations for the fiscal year 1987 (Public Law 99-591, October 30, 1986). We considered these amendments in performing the work on this report.

and developing and annually revising, with GSA's consultation, a 5-year governmentwide information technology plan.

Table I.1 shows some of the formal actions that OMB and GSA have taken to comply with and implement the act. For example, beginning in 1982, OMB has issued required annual reports to the Congress summarizing major activities undertaken to implement the act. OMB also has issued 5-year automated data processing and telecommunications plans each year, beginning in 1983. In 1985, OMB issued Circular A-130, Management of Federal Information Resources, to provide a general policy framework for federal information resources management.

In 1985, GSA issued Federal Information Resources Management Temporary Regulation 10, which established a triennial review program. Under this program, each agency evaluates its own information resources management activities within a 3-year cycle and reports its results to GSA. GSA then provides feedback to the agency in response to its submissions. Eleven agencies began this cycle in fiscal year 1986, 11 began in fiscal year 1987, and all others are scheduled to begin in fiscal year 1988. GSA plans to submit information resources management review summaries to OMB beginning in 1989, when the first group of agencies has completed its 3-year review cycle.

In 1985 and 1986, GSA issued guidance to agencies on such subjects as reviewing information resources management activities, developing and implementing strategic information resources management plans, and planning information systems.

Table I.1: Chronology of Events

1981	The Paperwork Reduction Act became effective.
1982	OMB issued Managing Federal Information Resources, the first in a series of annual reports to the Congress as required by the Paperwork Reduction Act.
1983	OMB issued A Five-Year Plan for Meeting the Automatic Data Processing and Telecommunications Needs of the Federal Government, the first in a series of annually issued plans.
1985	OMB issued Bulletin 85-12, the first annual bulletin stating requirements for agencies' information systems and technology strategic plans. GSA issued the Federal Information Resources Management Temporary Regulation 10, establishing the triennial review program. GSA issued the IRM Review Handbook as a guideline to supplement Temporary Regulation 10. GSA issued the Strategic Information Resources Management Planning Handbook as a guideline to help agencies develop and implement strategic plans. OMB issued Circular A-130, Management of Federal Information Resources, to provide a general policy framework for federal information resources management. First group of agencies submitted their information resources management review plans to GSA under the triennial review program.
1986	The Congress reauthorized the Paperwork Reduction Act. GSA issued the Information Systems Planning Handbook as a guideline to agencies.

Executive-Branch Agency Responsibilities

In addition to specifying responsibilities for OMB and GSA, the act establishes a basic structure for executive-branch agencies. The structure includes

- designating a senior official to be responsible for agency information resources management,
- inventorying major information systems and reviewing information management activities,
- ensuring information systems do not overlap each other or duplicate other agencies' systems,
- developing procedures for assessing the paperwork and reporting the burden associated with proposed legislation,
- implementing federal policies regarding information collection, paperwork reduction, statistical activities, records management, privacy

and security of records, dissemination of information, acquisition and use of information technology, and other information resources management functions, and

- developing a 5-year plan for meeting agency information technology needs.

Objectives, Scope, and Methodology

The objectives of this assignment were to identify basic information resources management mechanisms established by or in response to the act and to identify existing criteria for evaluating agencies' performance in achieving the act's objectives.

To identify the basic information resources management mechanisms, we reviewed the act and researched its legislative history to identify the roles of and requirements levied on the executive-branch agencies, GSA, and OMB. We also reviewed implementation directives issued by GSA and OMB for additional requirements. We searched texts, documents, articles, and General Accounting Office reports to become familiar with the history and evolution of information resources management and to identify known information resources management problems.

We interviewed several OMB and GSA officials to determine their roles in implementing the act and to identify existing criteria that might be suitable for our use. Specifically, we met with officials in OMB's Office of Information and Regulatory Affairs, which is responsible for administering OMB functions described in the act; GSA's Authorization and Management Review Division, which administers an information resources management review program; and GSA's Federal IRM Planning Support Center, which provides information resources planning services to federal agencies. We also interviewed information resources management officials at the Departments of Commerce, Energy, Labor, and Health and Human Services to discuss aspects of their information resources management structure and operations and to identify existing criteria.

We performed this work in the Washington, D.C., area between August 1986 and February 1987. Meetings with OMB and GSA since February 1987 did not reveal any changes to the material presented in this report. As arranged with the requestor's office, we did not obtain agency comments on a draft of this report. We performed this review in accordance with generally accepted government auditing standards.

Information Resources Management Problems Continue to Exist

The Paperwork Reduction Act requires that each executive-branch agency designate a senior official to carry out agency responsibilities. These include establishing mechanisms for

- systematically inventorying major information systems and periodically reviewing information management activities,
- ensuring the agency's systems do not overlap each other or duplicate other agencies' systems, and
- assessing the paperwork and reporting burden of proposed legislation.

Such mechanisms relate directly to achieving the act's objectives, which advocate minimizing information-related costs, maximizing the usefulness of information, and maximizing the effective use of automated data processing and telecommunications. However, we found General Accounting Office reports that document that information resources management problems have continued to exist at some agencies since the act became effective.

For example, we reported[3] in 1986 that due to one department's organizational structure and operations, the official responsible for information resources management had neither the authority nor the control necessary to effectively manage information resources. The official was placed in a departmental policy-making function at a level equal to other component heads and within an organization whose predominant mission is to provide administrative services and automated data processing. Under this organizational alignment the official's ability to effectively set departmentwide policy and control data processing, telecommunications, and systems development activities is limited. Agency components routinely developed and enhanced data processing systems and telecommunications networks costing millions of dollars annually without assurance that such systems were cost-effective for the department as a whole. In addition, due to this department's lack of strong central management for information resources, it has not been successful in developing a departmentwide case management system or consolidating redundant telecommunications networks. As a result, potential savings of as much as $86 million over 10 years, as estimated by this department, are not being realized.

[3]Justice Department: Improved Management Processes Would Enhance Justice's Operations (GAO/GGD-86-12, March 14, 1986).

In another report,[4] we pointed out that an agency was not carrying out its responsibilities under the act. The senior official, who is responsible for managing the agency's information resources, had delegated authority for performing those responsibilities to the information resources management office. In performing those responsibilities, the information resources management office had identified ways a bureau could improve its information resources management structure to overcome long-standing problems. The solutions were conveyed in only an advisory capacity because the office believed it lacked the authority to impose the solutions on the bureau. The bureau did not implement the solutions and the problems were not solved. As a result, information resources management within the bureau did not receive the departmental attention necessary to ensure that resources were acquired and used to improve service delivery and program management, increase productivity, and reduce waste. Millions could have been saved had the departmental information resources management office taken a more aggressive approach.

Although the act directs each agency to ensure that its systems do not overlap each other, we have issued several reports since the act was passed indicating that agencies are not meeting this requirement. For example, in our 1984 report (GAO/IMTEC-85-1), we stated that fragmented information systems development in one agency had resulted in five existing systems and four systems being designed that duplicated or overlapped one another. Although the agency identified this problem in 1979, the systems still existed when the audit work was performed on that review in 1983. In another report,[5] we noted that one agency's field offices depended on information in manual systems or in locally developed automatic systems that often duplicated information in the central-office automated systems, at an added cost to the government.

[4]Better Management of Information Resources at the Bureau of Indian Affairs Could Reduce Waste and Improve Productivity (GAO/IMTEC-85-1, December 21, 1984).

[5]Data Processing: SBA Needs to Strengthen Management of its Computer Systems (GAO/IMTEC-86-28, August 29, 1986).

Criteria Related to the Act's Objectives Are Limited

The problems described above raise concerns about agencies' effectiveness in achieving the act's objectives. We asked OMB, GSA, and the executive-branch agencies we visited to describe the criteria they use for assessing agency performance in meeting any or all of the act's objectives. OMB officials told us that they have not established specific criteria for assessing agency progress in achieving the act's objectives, nor did they know of any agency that had developed such criteria. OMB evaluates agency performance by asking agency officials questions based on common sense and system-specific information provided by the agency. In addition, OMB uses agencies' information-collection budgets as criteria for determining whether or not agencies are reducing the paperwork burden on the public.

Officials in GSA's Authorization and Management Review Division told us that their triennial review program focuses on specific agency responsibilities listed in the act rather than the objectives of the act. They believed it would be difficult to find criteria to evaluate how well agencies are carrying out the act's objectives. Neither they nor officials in GSA's Federal IRM Planning Support Center knew of any agency that had developed such criteria. In addition, none of the four executive-branch agencies we visited had established criteria for determining achievement of the act's objectives.

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